

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Ludowici Limited

ACN/ARSN 000 001 365

1. Details of substantial holder (1)

Name Morgan Stanley Australia Securities Limited
ACN/ARSN (if applicable) 078 652 276

The holder became a substantial holder on Feb 24, 2012

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary Shares	1,952,177	1,952,177	6.62%
			Based on 29,473,203 units outstanding

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Morgan Stanley Australia Securities Limited	Shares held or in respect of which the holder may exercise control over disposal in the ordinary course of sales and trading businesses.	1,952,177 Fully Paid Units

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Morgan Stanley Australia Securities Limited	Morgan Stanley Australia Securities (Nominee) Pty Limited	Not Applicable	1,952,177 Fully Paid Units

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration		Class and number of securities affected
		Cash	Non-Cash	
Morgan Stanley Australia Securities Limited	1/25/2012	6.7598	Buy	106132 Fully Paid Units
Morgan Stanley Australia Securities Limited	1/27/2012	6.7802	Buy	7764 Fully Paid Units
Morgan Stanley Australia Securities Limited	1/31/2012	6.8064	Buy	50000 Fully Paid Units
Morgan Stanley Australia Securities Limited	2/1/2012	6.7889	Buy	25000 Fully Paid Units
Morgan Stanley Australia Securities Limited	2/2/2012	6.7896	Buy	50000 Fully Paid Units
Morgan Stanley Australia Securities Limited	2/3/2012	6.7823	Buy	35394 Fully Paid Units
Morgan Stanley Australia Securities Limited	2/7/2012	6.7792	Buy	50000 Fully Paid Units

Morgan Stanley Australia Securities Limited	2/8/2012	6.7601	Buy	5644 Fully Paid Units
Morgan Stanley Australia Securities Limited	2/9/2012	6.7600	Buy	800 Fully Paid Units
Morgan Stanley Australia Securities Limited	2/10/2012	6.7563	Buy	25000 Fully Paid Units
Morgan Stanley Australia Securities Limited	2/13/2012	7.8000	Buy	30250 Fully Paid Units
Morgan Stanley Australia Securities Limited	2/14/2012	7.9619	Buy	45404 Fully Paid Units
Morgan Stanley Australia Securities Limited	2/14/2012	7.9100	Buy	100000 Fully Paid Units
Morgan Stanley Australia Securities Limited	2/15/2012	7.9398	Buy	148000 Fully Paid Units
Morgan Stanley Australia Securities Limited	2/16/2012	9.9048	Buy	250000 Fully Paid Units
Morgan Stanley Australia Securities Limited	2/17/2012	9.8510	Buy	567637 Fully Paid Units
Morgan Stanley Australia Securities Limited	2/17/2012	9.8330	Buy	236825 Fully Paid Units
Morgan Stanley Australia Securities Limited	2/20/2012	9.7394	Buy	7200 Fully Paid Units
Morgan Stanley Australia Securities Limited	2/22/2012	9.7045	Buy	1500 Fully Paid Units
Morgan Stanley Australia Securities Limited	2/24/2012	11.0227	Buy	358586 Fully Paid Units
Morgan Stanley Australia Securities Limited	2/24/2012	11.0017	Buy	150000 Fully Paid Units

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Morgan Stanley Australia Securities Limited	Level 39 Chifley Tower, 2 Chifley Square, Sydney NSW 2000, Australia

Signature

print name Samantha Lim

capacity Vice President

sign here



date Feb 28, 2012

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:

- (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
- (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.

- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
 - (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
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